

Northern Trust, NA
2398 East Camelback Road
Suite 400
Phoenix, AZ 85016
(602) 468-1650



Northern Trust

Dated March 19, 2009

VIA FEDERAL EXPRESS AND CERTIFIED MAIL, RETURN RECEIPT REQUESTED--PERSONAL AND CONFIDENTIAL

Mr. Michael Peca
46 Golden Pheasant Dr. Ste #5500
Getzville NY 14068

Re: NOTICE OF DEFAULT AND INTENT TO SELL COLLATERAL

Dear Sir :

This letter is sent to you with respect to the following:

1. Master Note (the "Note") dated November 5, 2006, [as modified by Change in Terms Agreement dated November 5, 2007,] in the face principal amount of \$1,775,000 executed by Michael Peca ("you," "your" or "Borrower") in favor of Northern Trust, NA ("we," "us," "our" or "Lender")
2. Pledge Agreement (the "Pledge Agreement") dated November 5, 2006 executed by Borrower as debtor in favor of Lender as secured party covering securities account(s) 23-47720 (individually and collectively, the "Account") with Northern Trust, NA as intermediary ("Intermediary")
3. Securities Account Control Agreement (the "Control Agreement") dated November 5, 2006 among Borrower, Lender and Intermediary (the Pledge and Control Agreements, the Note and all related guaranties, control agreements and other documents and instruments, the "Loan Document(s)")

For purposes of this letter, the terms "Collateral," "Event of Default," "Unmatured Event of Default," "Liabilities," and "Minimum Liquidity Balance" have the same meanings as in the Pledge Agreement, and the term "Default" means an Event of Default or Unmatured Event of Default.

We previously sent you a letter dated February 9, 2009 informing you that interest on the Note was past due; enclosed is a copy of that letter. Since that letter was sent, we have not received any interest payments on the Note.

Accordingly, we hereby notify you that a Default has occurred and is continuing due to your failure to pay the interest when due. We declare the Note, including without limitation all principal and interest, immediately due and payable in full, and demand that you pay such amounts immediately. The amount now outstanding under the Note is \$1,774,831.45 in principal, plus \$147.90 in accrued unpaid interest, plus \$1,997.31 in unpaid late charges for an aggregate total as of today's date of \$1,792,617.36. Additional interest is payable on the Note at \$147.90 per day at the present interest rate.



Northern Trust

This will also notify you that pursuant to this Default we intend to sell or cause to be sold Collateral in order to cure this Default, in one or more private or public sales, through a securities broker (which may be affiliated with us), on or after today's date. You will be liable to us for any deficiency. As provided in the Loan Documents, you will be liable to us for any related expenses and fees, including without limitation brokers' fees and commissions and attorneys' fees and broker fees. You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell. You may request an accounting by calling us at 602 468-2537. Pursuant to this Default we are hereby giving the Intermediary a Notice of Exclusive Control over the Account, a copy of which is enclosed.

The amount of Collateral sold may include an amount we estimate to be needed to cover such expenses and fees. We intend to hold such estimated needed amount in separate securities or deposit account(s) under our sole control, consisting of assets the value of which we perceive to be relatively stable, to be available to pay such expenses and fees.

Notwithstanding the foregoing, we do not intend to sell or cause to be sold Collateral if and to the extent that prior to our entering into arrangements to sell Collateral, you cure this Default fully by paying all interest and principal on the Note. You are welcome to contact us to suggest which Collateral you prefer to be sold, or with any proposals to cure this Default by other means.

We do not intend to make any further advances under the Note or any other credit facility secured by the Pledge Agreement.

We expressly reserve all of our rights and powers under the Loan Documents and at law or in equity; this letter is not a waiver of any provision of any Loan Document or of any right, power or remedy of Lender whatsoever. Any discussions with us may not be construed as any indication to the contrary. Without limiting the foregoing, please call the undersigned at 602-468-2537 with any questions.

Sincerely,

Aaron Mascarella
Second Vice President

cc: Philip A. Kenner, 10705 E Cactus, Scottsdale, AZ 85259